MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BMR1014 – FUNDAMENTALS OF MARKETING

(All sections / Groups)

8th MARCH 2016
2.30 PM – 4.30 PM
(2 HOURS)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 12 pages with **3** Sections only.

2. **Section A**: **FIFTY (50)** Multiple Choice Questions. Attempt **ALL** questions.
   Section B: **ONE (1)** Compulsory Question. Attempt **ALL** question.
   Section C: **TWO (2)** Selective Questions. Attempt only **ONE** question.

3. Students are allowed to use non-programmable scientific calculators.

4. Please write all your answers for Section A in the OMR sheet, Section B and C in the Answer Booklet provided.

SECTION A [50 Marks]
Attempt ALL questions.

1. The term marketing refers to:
   a) new product concepts and improvements
   b) selling
   c) advertising and promotion activities
   d) a philosophy that stresses customer satisfaction
   e) planning sales campaign

2. In order for exchange to occur:
   a) a complex societal system must be involved
   b) organized marketing activities must also occur
   c) a profit-oriented organization must be involved
   d) money or other legal tender is required
   e) each party must have something of value to the other party

3. Five marketing management concepts strongly influence the role of marketing and marketing activities within an organization. The following terms refer to these concepts **EXCEPT**:
   a) selling concept
   b) societal concept
   c) marketing concept
   d) profitability concept
   e) production concept

4. A manufacturer of tissue paper states, "People buy whatever tissue paper is the cheapest, so I spend my time trying to find ways I can cut my price." This person adheres to the _____ of marketing management.
   a) discount concept
   b) selling concept
   c) production concept
   d) marketing concept
   e) customer concept

5. _____ is the process of developing and maintaining a crucial fit between the organization's goals and capabilities and its changing marketing opportunities.
   a) Benchmarking
   b) SWOT analysis
   c) Market segmentation
   d) Strategic planning
   e) Diversification

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6. Which of the following is **TRUE** with regard to strategic planning?
   a) At the corporate level, the company starts the strategic planning process by determining what portfolio of businesses and products is best for the company.
   b) A strategic plan deals with a company's short-term goals.
   c) Finding the game plan for long-run survival and growth is the focus of strategic planning.
   d) The strategic plan is a statement of an organization's purpose.
   e) Strategic planning involves identifying segments of consumers with identical preferences.

7. Which of the following is the first step in strategic planning?
   a) setting short-term goals
   b) developing the business portfolio
   c) defining the organizational mission
   d) formulating the key marketing strategies
   e) identifying the organization's weaknesses and the threats it faces

8. Which of the following is **NOT** a step in the strategic planning process?
   a) defining the company mission
   b) setting company objectives and goals
   c) designing the business portfolio
   d) planning marketing and other functional strategies
   e) evaluating members of the company's value chain

9. Mr. Amirul has been directed to study the actors close to a company that affect its ability to serve its customers, such as the company, suppliers, marketing intermediaries, customer markets, competitors, and publics. In this instance, Mr. Amirul has been directed to study the _____ of the company.
   a) macroenvironment
   b) microenvironment
   c) technological environment
   d) demographic environment
   e) political environment

10. _____ markets buy goods and services for further processing.
   a) Business
   b) Reseller
   c) Wholesale
   d) Consumer
   e) Retail

Continued...

11. Kontena Nasional and ECX Warehousing help companies move and stock goods from their manufacturing units to their destinations. These two businesses are examples of _____.
    a) resellers
    b) marketing services agencies
    c) financial intermediaries
    d) physical distribution firms
    e) wholesalers

12. Which of the following generational groups, born between 1977 and 2000, is also referred to as the echo boomers?
    a) Generation X
    b) Millennials
    c) Silo Generation
    d) Baby boomers
    e) Silent Generation

13. An MIS is used to _____.
    a) generate product interest
    b) develop marketing plans
    c) identify demographic trends
    d) assess information needs
    e) test hypotheses about cause-and-effect relationships

14. _____ is the systematic collection and analysis of publicly available information about consumers, competitors, and developments in the marketing environment.
    a) Data warehousing
    b) Competitive marketing intelligence
    c) SWOT analysis
    d) Ethnographic research
    e) Customer relationship management

15. While looking for ideas on how to craft a user-friendly dishwasher, the designers of a dishwasher-manufacturing company spent 10 days observing people use their dishwashers in their homes. In this instance, the designers were conducting a(n) _____.
    a) survey research
    b) experimental research
    c) quantitative marketing research
    d) ethnographic research
    e) causal research

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16. Burger King came out with a new hamburger and, before including it into its main menu, released it in two different cities with two different prices. The marketers at Burger King then analyzed the different levels of purchase made at these two different places, planning to use the information to help them set a nationwide price for the new offering. This is an example of _____.
    a) ethnographic research
    b) descriptive research
    c) environmental research
    d) experimental research
    e) survey research

17. All the individuals and households that buy or acquire goods and services for personal consumption make up the _____.
    a) consumer market
    b) market offering
    c) market mix
    d) subculture
    e) social class

18. Which of the following statements is true of social classes?
    a) Social classes are society's temporary divisions.
    b) Members of a social class have unique and distinct values, interests, and behaviors.
    c) People within a social class tend to exhibit similar buying behavior.
    d) Income is the single factor that determines social class.
    e) Social classes universally exhibit identical product and brand preferences.

19. Each culture contains smaller _____, or groups of people with shared value systems based on common life experiences and situations.
    a) cultural universals
    b) reference groups
    c) subcultures
    d) monocultures
    e) social networks

20. Which of the following product characteristics refers to the degree to which the innovation appears superior to existing products?
    a) compatibility
    b) divisibility
    c) communicability
    d) relative advantage
    e) complexity

Continued...

21. When Maxis Bhd. selected the Gen Y, a demographic group that includes university students, as an untapped group of potential customers for their new line of products, they were engaging in _____.
    a) occasion segmenting
    b) local marketing
    c) market diversification
    d) market targeting
    e) product positioning

22. "Many companies today are localizing their products, advertising, promotion, and sales efforts to fit the needs of individual regions, cities, and neighborhoods." This is an example of _____.
    a) geographic segmentation
    b) product diversification
    c) branding
    d) psychographic segmentation
    e) demographic segmentation

23. _____ consists of arranging for a market offering to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers.
    a) Mass customization
    b) Positioning
    c) Segmentation
    d) Differentiation
    e) Targeting

24. Camel, a brand that primarily targets rebellious and adventurous people most likely uses _____ segmentation.
    a) occasion segmentation
    b) geographic segmentation
    c) income segmentation
    d) benefit segmentation
    e) psychographic segmentation

25. Which of the following is true with regard to products?
    a) The quality of products is far more difficult to measure than that of services.
    b) Products do not include experiences, organizations, persons, places, and ideas.
    c) Products are not meant for sale in the market.
    d) Products include services, events, persons, places, organizations, ideas, or a mixture of these.
    e) Products refer to only those activities that are essentially intangible.

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26. Product planners need to consider products and services on three levels. At the second level, product planners must _____.
    a) offer additional product support and after-sale services
    b) products identify the core customer value that consumers seek from the product
    c) turn the core benefit into an actual product
    d) find out how they can create the most satisfying brand experience
    e) define the problem-solving benefits or services that consumers seek

27. _____ are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style.
    a) Shopping products
    b) Convenience products
    c) Unsought products
    d) Capital items
    e) Supplies and repair services

28. A _____ is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same type of outlets, or fall within given price ranges.
    a) product line
    b) line extension
    c) private brand
    d) multibrand
    e) new brand

29. A particular firm added three new products earlier this year to increase variety for customers. Two of the products failed to reach the minimal sales quota. Which of the following is **LEAST** likely to have been the cause of their failure?
    a) The products were priced too high.
    b) The products were advertised incorrectly.
    c) Competitors fought back harder than expected.
    d) Product research was too extensive.
    e) The product development costs were high.

30. Ahmad's fascination for his grandmother's cinnamon cakes inspired him to come up with a recipe for his hipster restaurant, Coffeology. Which of the following stages of the new-product development process does this exemplify?
    a) idea screening
    b) idea generation
    c) concept testing
    d) system product development
    e) product manufacturing

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31. Executives at an automobile manufacturing company conducted a brainstorming session for selected employees. This session resulted in a large number of ideas for developing new cars after extensive R&D. The executives then planned to filter out the best ideas during the _____ stage.
    a) business analysis
    b) idea generation
    c) concept testing
    d) idea screening
    e) concept development

32. An attractive product idea must be developed into a _____.
    a) concept alternative
    b) product concept
    c) brand personality
    d) brand placement
    e) product strategy

33. Kellogg's begins to sell its cereals in new markets after conducting extensive marketing research. After the cereal begins to appear in these new markets, the company slightly increases its promotion expenditure to check competition. Kellogg's is in the _____ stage of the product life cycle.
    a) introduction
    b) growth
    c) maturity
    d) decline
    e) adoption

34. Companies facing the challenge of setting prices for the first time can choose between two broad strategies: market-penetration pricing and _____.
    a) comparative pricing
    b) competitive pricing
    c) market-skimming pricing
    d) market-segmentation pricing
    e) cost-plus pricing

35. Vista Smart, a perfume manufacturing company, plans to release a new fragrance during the holiday season at RM99 per bottle. The company intends to bring the price down to RM49 within six months of its release to attract buyers who couldn't afford the initial price. Which of the following pricing strategies is Vista Smart using?
    a) market-penetration pricing
    b) market-skimming pricing
    c) competitive pricing
    d) cost-plus pricing
    e) product-line pricing

Continued...

36. Which of the following product mix pricing strategies involves setting prices across an entire product range based on cost differences between the products, customer evaluations of different features, and competitors' prices?
    a) by-product pricing
    b) product bundle pricing
    c) optional product pricing
    d) captive product pricing
    e) product line pricing

37. Which of the following is most likely **TRUE** of marketing channel decisions?
    a) They often involve long-term commitments to other firms
    b) They have minimal influence on the prices of products offered to customers.
    c) They increase the amount of time a company spends connecting with customers.
    d) The increase the amount of effort a company puts in to distribute goods.
    e) They are easily altered, replaced, or discarded.

38. Conflict which occurs among firms at the same level of the marketing channel is known as _____ conflict.
    a) multitiered
    b) horizontal
    c) vertical
    d) equilateral
    e) exterior

39. Amway sells its product through door-to-door sales agents. What type of marketing channel does Amway use?
    a) inclusive
    b) multitiered
    c) indirect
    d) direct
    e) selective

40. Which of the following is true of channel members?
    a) They act independent of each other.
    b) They play specialized roles in the channel.
    c) They are not accountable to other channel members.
    d) They play generalized and interchangeable roles in the distribution process.
    e) Their competence and cooperation do not affect the company's image or profits.

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41. The use of short-term incentives to encourage the purchase or sale of a product or service is called _____.
    a) direct marketing
    b) sales promotion
    c) personal selling
    d) public relations
    e) publicity

42. Which of the following appeals is based on the idea that consumers often feel before they think?
    a) emotional appeal
    b) rational appeal
    c) structural appeal
    d) standardized appeal
    e) integrated appeal

43. Which of the following statements is **TRUE** regarding today's marketing communications?
    a) More marketers are shifting away from narrowly defined micromarkets and moving toward mass marketing.
    b) More customers have started relying on marketer-supplied information rather than finding out information on their own.
    c) Network television, magazines, newspapers, and other traditional mass media continue to increase their dominance.
    d) Focused marketing programs which are designed to build closer relationships with customers in more narrowly defined micromarkets are no longer used by marketers.
    e) Today's consumers are better informed about products and services.

44. The AIDA model identifies the characteristics of an effective _____.
    a) advertising budget
    b) channel of communication
    c) marketing message
    d) marketing mix
    e) marketing response

45. Kodak's film business did not lose out to direct competitor Fujifilm; it lost out to Sony, Canon, and other digital camera makers, along with a host of digital image developers and online image sharing services. This is an example of _____.
    a) self-competition
    b) competitor myopia
    c) competitor backlinking
    d) marketing myopia
    e) perfect competition

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46. A market research firm conducts a survey of soft-drink consumers to assess Pepsi's and Coke's strengths and weaknesses in product qualities valued by both company's target customers. The market research firm is using a(n) _____.
    a) customer lifetime value estimation
    b) global marketing strategy
    c) competitive marketing strategy
    d) customer value analysis
    e) blue ocean strategy

47. Which of the following is the first step taken in the competitive intelligence system?
    a) collect published data and information from the field
    b) check, interpret, and organize gathered information
    c) identify the vital types of competitive information needed
    d) respond to inquiries from managers about competitors
    e) create a new brand image and marketing concept for the firm

48. McDonald's "Plan to Win" strategy has added healthy food options to its menu, phased out traditional artery-clogging trans fat, launched a major multifaceted education campaign, and addressed environmental issues. "Plan to Win" best exemplifies the _____.
    a) sustainable marketing
    b) direct marketing
    c) mercantilism
    d) strategic planning
    e) consumer business concept

49. Recently, a department store was accused of deceptive promotion. Which of the following best explains what might have happened?
    a) The department store refused to advertise sale prices in the local paper.
    b) The department store advertised a bargain price on an out-of-stock product.
    c) The department store advertised a large price reduction from a phony high retail list price.
    d) The department store used misleading label on certain products.
    e) The department store exaggerated its package contents through subtle design.

50. Nike produces shoes out of "environmentally preferred materials", recycles old sneakers, and educates young people about conserving, reusing, and recycling. Nike is practicing _____.
    a) new clean technology
    b) product stewardship
    c) pollution prevention
    d) sustainability vision
    e) design for environment

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SECTION B [30 Marks]
Compulsory question.

QUESTION 1

The management of Tongkat Ali Orang Kampung (M) Sdn Bhd realized that the company is paying too little attention to its distribution channels. They noticed that the channel decisions directly affect every other marketing decision and the marketing manager must make channel decisions carefully, incorporating today's needs with tomorrow's likely selling environment.

a) Explain the term marketing channel.

(4 marks)

b) List the channel level for consumer and business marketing channels that can be adopted by the company.

(6 marks)

c) Describe the basic functions of channel members that can assist the company to boost its sales.

(12 marks)

d) Discuss any **FOUR (4)** criteria to choose transportation modes to distribute the company's products throughout Malaysia.

(8 marks)

(Total: 30 marks)

SECTION C [20 Marks]
Attempt only ONE (1) question.

QUESTION 2

Adidas believes that building good customer relationships calls for more than just developing a good product, pricing it attractively, and making it available to target customers. The company must also communicate its value propositions to customers.

a) Define **FIVE (5)** promotion mix tools for communicating Adidas's value propositions to its prospective customers.

(5 marks)

b) Outline the communication process that must be coordinated by the marketing manager of Adidas.

(9 marks)

Continued...

c) Discuss **TWO (2)** basic promotion mix strategies that commonly used by many sports apparel companies in Malaysia.

(6 marks)

(Total: 20 marks)

QUESTION 3

In a service business, the customer and the front-line service employee interact to co-create the service. As Air Asia co-founder and Group CEO Tony Fernandes puts it: "Happy team members result in happy customers. Happy customers do more business with you. They become advocates for your company, which results in happy investors".

a) Briefly explain the **THREE (3)** strategies to link company's profits with employee and customer satisfaction in service industry.

(6 marks)

b) Discuss **THREE (3)** solutions to manage service differentiation in today's world of business.

(6 marks)

c) Explain **FOUR (4)** characteristics that affect the marketing of services.

(8 marks)

(Total: 20 marks)

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